

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE)	
COMMISSION OF THE APPLICATION OF THE)	
FUEL ADJUSTMENT CLAUSE OF BIG RIVERS)	CASE NO. 92-490-A
ELECTRIC CORPORATION FROM NOVEMBER 1,)	
1992 TO APRIL 30, 1993)	

O R D E R

Pursuant to 807 KAR 5:056, Section 1(11), IT IS HEREBY ORDERED
that:

1. A public hearing shall be held on October 27, 1993 at 10:00 a.m., Eastern Daylight Time, at the Commission's offices in Frankfort, Kentucky, to examine the application of the fuel adjustment clause of Big Rivers Electric Corporation ("Big Rivers") from November 1, 1992 through April 30, 1993.

2. Big Rivers shall publish the following notice of this hearing in accordance with Commission Regulation 807 KAR 5:011, Section 8(5).

3. Big Rivers shall, on or before July 31, 1993, file an original and 10 copies of the following:

a. A schedule showing scheduled, actual, and forced outages for the 6-month period, November 1, 1992 through April 30, 1993.

b. A schedule showing the actual and projected coal inventory levels for each generating station for the period

November 1, 1992 through April 30, 1993. Justify, in detail, inventory levels higher than 75 days.

c. A schedule showing the actual fuel costs for the period November 1, 1992 through April 30, 1993. The cost shall be given in total dollars, cents per KWH generated, and cents per MBTU for each type of fuel. This schedule shall also state the actual amount of each type of fuel used, the BTUs obtained for each type of fuel, and the KWH generated by each type of fuel.

d. A schedule showing any fuel or transportation contracts executed or amended during the 6-month review period.

e. Coal inventory in tons and number of days as of April 30, 1993.

f. Any changes to Big Rivers' policies and procedures for fuel procurement during the 6-month period under review.

g. Any changes to Big Rivers' policies on conflicts of interest and the earning and reporting of outside income by employees, directors, or other utility personnel during the 6-month period under review.

h. (1) State whether Big Rivers regularly performs any type of coal price comparison with other electric utilities on coal purchases.

(2) If yes, state:

(a) how Big Rivers compares with others.

(b) how many utilities are included in the comparison.

(c) the geographical region in which these utilities are located.

(d) the utilities which are included in this comparison.

i. State the percentage of Big Rivers' coal, as of the date of this Order, which is delivered by:

- (1) barge
- (2) rail
- (3) truck

j. (1) State whether Big Rivers is currently involved in any litigation with its current or former coal suppliers.

(2) If yes, for each litigation:

- (a) identify the coal supplier.
- (b) identify the coal contract involved.
- (c) state the potential liability or recovery to Big Rivers.
- (d) list the issues present.
- (e) state its current status.
- (f) provide a copy of the complaint or other legal pleading which initiated the litigation.

k. (1) State whether Big Rivers has received any customer complaints regarding its fuel adjustment clause during the period under review.

(2) If yes, for each complaint, state:

- (a) the nature of the complaint.

(b) Big Rivers' response.

1. (1) State whether Big Rivers has audited any of its coal contracts during the period under review.

(2) If yes, for each audited contract:

(a) identify the contract.

(b) identify the auditor.

(c) state the results of the audit.

(d) describe the actions which Big Rivers took as a result of the audit.

m. (1) Describe the impact the labor dispute between the United Mine Workers Union of America and the Bituminous Coal Operators' Association has had on Big Rivers' coal inventory levels.

(2) State the potential impact of the dispute on Big Rivers' coal inventory levels if it continues beyond August 1993.

n. (1) State whether Big Rivers owns rail cars which are used to transport coal to its generating stations.

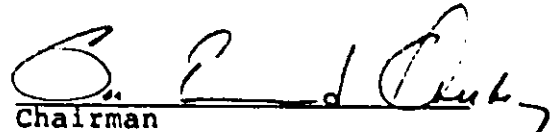
(2) If yes:

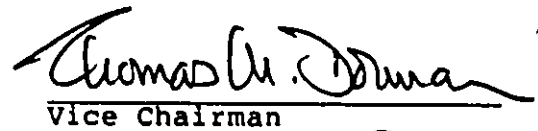
(a) state whether any depreciation expense on these rail cars were passed through the fuel adjustment clause.

(b) Provide Big Rivers' most recent depreciation study which addresses rail cars.

Done at Frankfort, Kentucky, this 14th day of July, 1993.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director